



PROJECT MANAGEMENT PLAN

Procedures for Project Oversight and Contract Management

State of California
Department of Transportation
Division of Rail

Revised August 2009

PROJECT MANAGEMENT PLAN

Procedures for Project Oversight and Contract Management

Caltrans Division of Rail

Revised August 2009

- I. INTRODUCTION
- II. IDENTIFICATION OF PROJECTS
- III. COORDINATION AND COMMUNITY OUTREACH
- IV. PROJECT STUDY REPORT (PSR)
- V. PROJECT NEED AND JUSTIFICATION
- VI. COST VALIDATION AND/ OR CONTAINMENT
- VII. ESTABLISHING PROJECT PRIORITIES
- VIII. PROGRAMMING OF CAPITAL PROJECTS IN THE STATE
TRANSPORTATION IMPROVEMENT PLAN (STIP)
- IX. STIP AMENDMENTS
- X. ENVIRONMENTAL CLEARANCE
- XI. CONTRACT REQUIREMENTS
- XII. NOTICE TO PROCEED
- XIII. PROJECT AND/OR CONTRACT REVIEW
- XIV. REVIEW AND PROCESSING OF INVOICES
- XV. COMMUNICATIONS, CORRESPONDENCE AND MEETINGS
- XVI. PROJECT ACCEPTANCE AND CLOSEOUT
- XVII. PROJECT AUDITS
- XVIII. SAFETY
- XIX. APPENDIX I - Glossary Of Acronyms, Terms, And Definitions
- XX. APPENDIX II – Project Study Report Outline
- XXI. APPENDIX III – Division of Rail Organization Chart

I. INTRODUCTION

The State of California (State) has administered an Intercity Passenger Rail Program since 1976. To guide the development of this program, the California Department of Transportation (Caltrans) prepares the ten-year California State Rail Plan (Plan), which is updated every two years. The Plan was last updated in March 2008 and outlines the goals of the intercity passenger rail program. These goals are to provide an alternative mode of transportation, provide congestion relief, improve air quality, conserve fuel and contribute to improved land use practices. The Plan includes standards and a timeline for meeting those goals and well as operating and capital project goals.

The Plan includes both a constrained and an unconstrained capital program. The constrained capital program represents State funds reasonably expected to be available over the next ten years. The unconstrained capital program is based on project needs and includes proposed new routes and services. Its implementation requires major Federal funding.

There are three State-supported intercity rail corridors in California totaling 885 route miles. The corridors are the Pacific Surfliner Corridor, which serves southern California from San Luis Obispo to Los Angeles to San Diego, the San Joaquin Corridor, which serves the central valley from Oakland and Sacramento to Bakersfield, and the Capitol Corridor, which serves northern California from Auburn to San Jose.

The State prepares a Strategic Corridor Plan for each of the intercity rail corridors, which formalize the short, medium and long-term visions of the corridor given anticipated population growth, the need to address the importance of rail as a transportation option in the corridor and the funding availability available to meet projected needs.

This Project Management Plan outlines the various steps involved in developing and implementing a capital project in the Intercity Passenger Rail Program as well as the roles and responsibilities associated with administering the project.

II. IDENTIFICATION OF PROJECTS

Caltrans seeks input from rail owners and operators, local and regional transportation agencies, rail user groups and the public when identifying potential capital projects and rail system improvements. These proposed improvements are reviewed for general feasibility, need, cost effectiveness and public benefits as part of the rail project development process. Specifically, Caltrans uses its Project Study Report (PSR) process to research, analyze and validate the need for capital improvements. (See Appendix II for the Project Study Report Outline.)

III. COORDINATION AND COMMUNITY OUTREACH

Community outreach is critical in providing information about, seeking input on, and fostering support for rail projects that are proposed for the rail system and those that may have an impact on a neighborhood or local agencies. Prior to finalizing a PSR, it is important to coordinate and educate local and regional agencies about the need for and nature and importance of the proposed capital improvements. In more complex projects, a formal outreach/educational plan is prepared and conducted.

IV. PROJECT STUDY REPORT (PSR)

The format and content for the intercity rail Project Study Report (PSR), (see Appendix II for a more detailed outline of this document), establishes the justification, description, overall scope of work, type of environmental clearance required, cost estimate, projected project benefits, additional technical studies required and a timeline for implementing the proposed improvements. A PSR must be developed and approved by the Caltrans Division Chief, or the appropriate local agency CEO before funding can be formally requested. A project's funding is usually requested through the submittal of a grant application or by inclusion of the project on a capital projects list.

In preparing the PSR, the feasibility of the proposed project is researched and validated before completion of the PSR. Consideration is given to public benefits, rail operational issues, level of community support, environmental effects and related factors.

Project benefits are quantified where possible. A qualitative statement may be used if quantification is not feasible. In some cases, where appropriate or required by the specific grant or funding source, a benefit/cost analysis is prepared.

Improved performance of the State-supported intercity rail service is evaluated. The following potential benefits should be described and quantified where possible: improved on-time performance (OTP), increased track capacity, additional train frequency, a reduction in travel time, improvement in goods movement, rail or public safety enhancements, rail station or customer amenities.

V. PROJECT NEED AND JUSTIFICATION

Utilizing the PSR process, Caltrans assesses the project purpose and need, cost, public benefits, feasibility, project scope and whether there are any environmental impacts associated with the proposed project. Project concepts and alternatives are developed and reviewed by Caltrans and external agencies, including the intercity rail operator, the host railroad and regional transportation planning agencies.

Feasibility, cost effectiveness and an assessment of transportation and other benefits are completed prior to the project PSR being approved by Division of Rail (Division) management. Once the project concept is approved, appropriate funding sources are identified the project is pursued.

VI. COST VALIDATION AND/ OR CONTAINMENT

The Division utilizes an on-call engineering firm to provide expert analysis of proposed project cost estimates. The engineering firm specializes in railroad engineering services and provides an independent assessment of scopes of work, unit prices and other cost components for capital projects. The engineering firm also reviews project elements for constructability and assesses the project schedule and phasing to identify any potential risks to timely project delivery.

In some cases, Caltrans oversees project construction/implementation itself. In other cases, it contracts with another entity such as the host railroad or a local jurisdiction, to construct the project (for more information on this process, see Section XI). The implementing agency is required to have documentation for its cost control monitoring of its contractors. Resident engineers, quality control oversight, inspectors and onsite visits are efforts typically utilized to verify project progress, quality of work, safety practices and other aspects of project implementation.

VII. ESTABLISHING PROJECT PRIORITIES

Consistent with the California State Rail Plan and the vision and objectives identified for the intercity rail corridors in each Strategic Corridor Plan, Caltrans will evaluate and rank project proposals in priority order.

Projects financed by funding sources, such as State general obligation bonds, are often evaluated based on the goals and objectives related to the State's intercity rail system. For example, in descending order of priority, Caltrans and the California Transportation Commission (CTC) have set program priorities as follows: safety, system preservation, capacity expansion and other improvements (grade separations, station facilities and miscellaneous).

In addition to evaluating projects in relation to State goals and objectives, where other funding sources, such as the American Recovery and Reinvestment Act (ARRA), a program-specific evaluation matrix is typically developed. For example, job creation, emissions reductions, increased track capacity, safety, higher train speeds and other factors were used by the Division to evaluate projects eligible for High-Speed Intercity Passenger Rail (HSIPR) Program funds.

VIII. PROGRAMMING OF CAPITAL PROJECTS IN THE STIP

Every two years the State Transportation Improvement Program (STIP) is updated. This occurs in during even-numbered years, based on new funding estimates. The funding estimate is based on the various fund types and amounts expected to be available for transportation project purposes over the next five years. Most capital projects are programmed in the STIP. Some fund sources, however, such as bond funds, Federal appropriations or other special funds are amended into the STIP or the Federal Transportation Improvement Program (FTIP). This action typically follows the granting of funds to the project by State or Federal legislative action or as provided in the legislation that establishes the program.

IX. STIP AMENDMENTS

Besides adding special funds into a STIP or FTIP as described above, other circumstances may necessitate a STIP amendment. An example of this is if delivery of a capital improvement project can be accelerated or must be delayed. In such a case, a change in programming year may be requested from the CTC. This is contingent upon adequate funding being available. A STIP amendment can be processed only for projects that are programmed in future years.

X. ENVIRONMENTAL CLEARANCE

Use of State and Federal funds requires compliance with the California Environmental Quality Act (CEQA) and the National Environmental Policy Act (NEPA).

Some projects may qualify for either a statutory or a categorical exemption as specified in the California Government Code and/or NEPA. Section 15275 of the Government Code provides for a statutory exemption (SE) for qualifying passenger rail projects. Section 15300 of the Government Code describes categorical exemptions (CE) for types of rail projects such as routine maintenance. Nonetheless, such projects must still meet any State and/or Federal permitting requirements. In such cases, the project manager is responsible for requesting an environmental assessment and documenting the exemption by placing a signed certification in the project file.

If a project does not meet the criteria for an exemption, then another type of environmental clearance will be required. If Federal funds may be included in the budget, a combined Environmental Impact Statement (EIS)/ Environmental Impact Report (EIR) may be needed, or another approach that will meet NEPA requirements. If only State funds are likely, then CEQA clearance may be all that is needed. The project manager is responsible for consulting with the Division's environmental specialist to ascertain what type of environmental process must be followed and to provide funding and time in the project schedule for the required environmental approval.

Early consultation with State and Federal permitting agencies, community representatives and Caltrans environmental staff can facilitate permitting and can help identify impact avoidance or mitigation strategies. Project delays, cost overruns and even fines for the implementing agency can result by not following the State and Federal regulations pertaining to the various natural and community resources that can be impacted as the result of project implementation. Caltrans environmental planners are involved in the project team and are responsible for review of environmental documentation and for obtaining CEQA and NEPA clearance.

XI. CONTRACT REQUIREMENTS

Caltrans Form ADM-360 is used to request preparation of a contract. More than one type of contract is used by the Division to implement capital projects. Contracts with railroads utilize different language and format than those with local agencies. Railroad contracts typically use a "force account" approach while a local agency contract would typically involve the use of contracts that have been obtained on a competitive bid basis. Project costs are paid to the recipient on a reimbursement basis unless special circumstance warrant otherwise.

Additionally, contracts/agreements that are developed for use with the National Railroad Passenger Corporation (commonly known as Amtrak) have a different content and format than either the freight railroads or local agencies. A 'Railroad Agreement' is used when working directly with a railroad. An 'Intercity Rail Passenger Facilities Agreement' is used for implementing projects through local/regional agencies and with Joint Powers Authorities (JPA) such as the Capitol Corridor JPA (CCJPA) or the Southern California Regional Rail Authority (SCRRA). Current versions of both documents are available for viewing on the Division's website (<http://www.dot.ca.gov/rail/go/dor/index.cfm>).

Delegated contracts are used in the Division to implement capital projects where Caltrans is the recipient of the State funds and implementing entity is a public agency (city, county, transit district or JPA). These documents are executed between the local entity and the Division, and then are forwarded to the Division of Accounting (Accounting), the Division of Procurement and Contracts (DPAC), and others for their use in encumbering funds and related work.

XII. NOTICE TO PROCEED

The project manager is authorized to issue a written "Notice to Proceed" (Notice) document that provides formal notification to the implementing agency or contractor that work may begin. Project expenses are not eligible for reimbursement prior to the Notice being issued by Caltrans. The Notice will be sent by Caltrans after verification that funds have been provided, such as an encumbrance document, final execution of the contract or agreement, and after completing any other pending actions such as a pre-award audit.

The Notice may cover a single phase of a project (such as preliminary engineering or environmental clearance) or the entire project. The specifics of what the Notice covers are based on factors such as whether the project is using a design-build, if project funding is for an equipment purchase, or in instances where preconstruction phases were completed with other funds prior to the execution of the contract with the State.

Review and approval of the third party or implementing agency's Project Management Plan is an important step in reviewing project documentation prior to Caltrans issuing a written Notice.

XIII. PROJECT AND/OR CONTRACT REVIEW

Monitoring adherence to the contract's scope of work, implementation schedule and budget are key elements in maintaining an adequate level of oversight for capital projects. The contract defines the project deliverables and the work to be performed. The scope of work must be sufficiently detailed so that the contract manager can assure that invoices include project costs that are within the scope.

The contract manager should use Gantt charts, critical path analyses or similar techniques to monitor the project's progress. Any delays or factors that are likely to affect the delivery schedule must be documented and addressed in a timely manner.

Onsite meetings or project inspections are utilized to confirm that implementation progress is consistent with invoices submitted by the contractor and/or the implementing agency.

Costs exceeding the original budgeted amount may result from a number of factors. Among these are large numbers of contract change orders (requested by the contractor), requests to change the project's scope of work, project delays, and an over-reliance on the contingency portion of the project budget. An exception would be a "not to exceed" contract where the implementing agency accepts the financial risk for any costs exceeding the project budget.

XIV. REVIEW AND PROCESSING OF INVOICES

The Caltrans project/contract manager has the responsibility to review invoices, withhold retentions (if appropriate), and make recommendations for payment. The appropriate Division supervisor or manager is responsible for reviewing and approving invoice payment recommendations before payment requests are sent to Caltrans Division of Accounting (Accounting) for final processing.

The assigned project or contract manager will review invoices. This review includes a number of factors. These factors include whether:

- Supporting documentation is adequate and/or complete;
- The invoice covers eligible items;
- Costs are within the project scope and budget;
- Costs claimed are within project limits;
- Items are adequately identified for the specific project;
- Appropriateness of costs for the progress made on the project to date;
- Consistency of items with terms and conditions of the grant agreement and/or contract;
- Costs are within and consistent with the project budget categories and project phases;
- Proportional share of costs are billed consistently with matching funds (as applicable);
- Invoices are submitted consistent with the effective dates of the contract or agreement and with the eligibility dates for fund sources.

As discussed separately, field visits are utilized in conjunction with invoice reviews to assess if reimbursement requests are consistent with implementation progress to date. If inconsistencies arise, Caltrans requires the implementing agency to explain discrepancies in writing.

Payment of invoices is a priority action for various reasons. Prompt payment is mandated and defined in State law. The California Prompt Payment Act (“Act”), found in Government Code Section 927 *et seq.*, stipulates that processing and payment of invoices must be completed within 45 days of receipt of invoice. Caltrans has a total of 30 days under the Act to process payment. The Division must submit the invoice, payment approval and any required supporting documentation to Accounting. Accounting then has 15 days to process the documents and submit the payment request to the State Controller’s Office (SCO). The SCO is allowed 15 days to issue payment (printed warrant) or transfer funds.

The Act allows for two exceptions to the 30-day period. In the case of incomplete invoices, the period is suspended when an invoice is accompanied by inadequate documentation or if the contract/project manager determines that an item claimed for reimbursement is not eligible or is inconsistent with the contract or agreement. In such cases, the contract manager must provide written notification (Form Std. 209 or

departmental Form FA-0209A) to the implementing agency or contractor. This action will suspend the 30-day payment requirement until the issue is resolved to Caltrans' satisfaction. In addition, the Act provides for the application of interest penalties in the event payment is not made within the 45-day timeframe. It also sets the minimum required information for inclusion on invoices.

Contracts and agreements have clauses that outline the process to be used for resolving payment disputes. This process would be triggered if staff and management personnel from Caltrans and the implementing agency were unable to reach agreement on the disputed item. At that point, arbitration or other third-party mediation is often used to resolve the dispute. Contracts and agreements will generally outline the type of dispute resolution. The project manager's supervisor shall be involved as it may be necessary to request advice from Caltrans Legal Division.

XV. COMMUNICATIONS, CORRESPONDENCE AND MEETINGS

All actions and meetings pertaining to the capital project must be documented in writing. When routine project paperwork is being processed, quarterly meetings are held, or other activities occur, proper documentation is essential. It is the responsibility of the project manager to ensure that contract documents, action items, potential risks to timely project delivery, scope and budget issues and other significant concerns are communicated in writing to the affected agencies, Division management, the implementing agencies and other agencies that may be impacted by the proposed action or identified risk.

At least quarterly, but more frequently if warranted, the Division's project manager will meet with the railroad's or the public agency's project manager to review progress reports and other documentation pertaining to implementation of the project. It is the project manager's responsibility to obtain sufficient detail so that compliance with the contract's scope, schedule and budget is ensured. Project delivery risks and budget issues should be addressed as soon as these issues are identified. If warranted, an action plan will be used by implementing agency and monitored by the project manager to bring project into compliance with contract provisions.

XVI. PROJECT ACCEPTANCE AND CLOSEOUT

The project manager has responsibility for final acceptance of completed capital projects. If there are portions of construction that do not appear to meet railroad standards, may cause an unplanned delay in passenger train movement, detrimentally affect public safety, or negatively affect the track maintenance costs, then the project manager is required to document these areas of concern. Any exception will be documented and distributed to the Rail Corridor Manager. Ultimate acceptability lies with achieving passenger train performance enhancements as defined in the railroad agreement.

Upon completion of all construction activities, a final walk through with the railroad's project manager and other representatives as appropriate will be undertaken. Any exceptions shall be noted, and an action plan for completion will be developed and documented.

XVII. PROJECT AUDITS

State and Federal laws stipulate that implementing agencies, railroads and others receiving public funds are subject to audit. Record keeping is prescribed in the contract along with other audit requirements. Audits may be conducted during project implementation, after project completion and prior to contract award to confirm that the implementing agency has adequate accounting systems and project financial controls in place.

State laws governing audits for capital projects are found in Sections 53130 through 53138 of the Government Code. These audit requirements are incorporated into State contracts or agreements.

XVIII. SAFETY

Safety is the responsibility and duty of everyone working on or about the railroad tracks and/or equipment. Everyone shares equally in the responsibility of each person's safety. Accidents are preventable.

Completion of an operating railroad's safety training program is required for Division personnel who are designated as track or field inspectors and other staff who routinely access railroad rights-of-way for project oversight and inspection. Caltrans staff working at manufacturing or overhaul facilities must complete the contractor's safety course and shall comply with all contractor safety requirements while on site.

Division personnel must complete safety training and have the railroad owner/operator's approval before entering railroad right-of-way. In all cases, whether routine site visits or structured project inspections, Division personnel must comply with all railroad requirements. This may include, but is not limited to: additional safety training and safety briefings onsite, utilization of mandatory protective equipment, and following all safety directions provided by the railroad's representative.

In addition to these general procedures, Division personnel must comply with all departmental safety policies and all applicable State and Federal regulations governing work rules within the operating railroad right-of-way. Anyone working on or about the track is required to fully understand the following guidelines:

- FRA Roadway Worker Protection Standards
- OSHA Hazards Communication Requirements
- Hazardous Materials/Hazardous Waste Related Requirements (various agencies)
- Environmental Requirements Relating to Wetlands and Watersheds (various agencies)
- Emergency Preparedness Requirements (various agencies/owner of the railroad)
- Owner of the Railroad/FRA/OSHA Accident/Incident Reporting Requirements
- Owner of the Railroad/OSHA Personal Protective Equipment Requirements
- Job Safety Briefing Requirements (railroad owner)

XIX. APPENDIX I

Glossary of Acronyms, Terms, and Definitions

| | |
|------------|---|
| Accounting | Caltrans Division of Accounting |
| ARRA | American Recovery and Reinvestment Act |
| Caltrans | California Department of Transportation (also Department) |
| CCJPA | Capitol Corridor Joint Powers Authority |
| CEQA | California Environmental Quality Act |
| CTC | California Transportation Commission |
| Division | Caltrans Division of Rail |
| DPAC | Caltrans Division of Procurement and Contracts |
| EIR | Environmental Impact Report |
| EIS | Environmental Impact Statement |
| FRA | Federal Railroad Administration |
| FTIP | Federal Transportation Improvement Program |
| HSIPR | High-Speed Intercity Passenger Rail |
| JPA | Joint Powers Authority |
| NEPA | National Environmental Policy Act |
| OSHA | Occupational Safety and Health Administration |
| OTP | On-time Performance |
| SCO | State Controller's Office |
| SCRRA | Southern California Regional Rail Authority |
| State | State of California |
| STIP | State Transportation Improvement Plan |

PROJECT STUDY REPORT OUTLINE

CALTRANS DIVISION OF RAIL

Project Purpose and Need

Define the transportation problem. Describe any related community, environmental or regional issues that will be addressed. Include how the project will resolve or address the transportation need. Also, use both a local/regional and system perspective to discuss project purpose.

Project Location

Use road crossing, railroad mileposts, city, county and other descriptors to provide location. Include project limits to establish work area or extent of project.

Project Description

Describe nature of the project such as: additional track capacity, track rehabilitation, improve stations facilities, modify grade crossing, grade separation, acquire rolling stock, refurbish rail cars and so forth.

Current Rail Service

Describe exiting rail services on the corridor including freight, commuter, intercity passenger and any connecting transportation services that are related to project. Include frequencies, proposed changes to schedules and other pertinent information.

Scope of Work

Provide the project deliverables, phases of the project, major project elements and quantify the extent of proposed improvements where appropriate.

Benefits

Discuss and quantify project benefits to passenger rail and freight rail services. Operational improvements such as reduced travel time, speed increases, reliability or on-time performance, cost reductions, and similar changes should be quantified. Complete a benefit-cost analysis if appropriate.

Project Management Responsibilities

Describe agency roles and responsibilities for providing monitoring, oversight and management control over project. Identify the implementing agency or railroad.

Project Schedule and Milestones

List project deliverable and milestone dates as appropriate. The following is a guide:

Prepare Draft Project Study Report (PSR)
PSR Completion and Approval
Begin Environmental (PA&ED) Phase
Circulate Draft Environmental Document
End Environmental Phase (PA&ED) Completion
Begin Design (PS&E) Phase
End Design Phase (Ready to List for Advertising)
Begin Right of Way Phase (if applicable)
End Right of Way Phase (Right of Way Certification)
Begin Construction (Contract Award)
End Construction (Construction Contract Acceptance)
Begin Closeout Phase
End Closeout Phase (Closeout or Final Report)

Environmental Clearance

Compliance with California Environmental Quality Act (CEQA) and/or National Environmental Policy Act (NEPA) is required. Use environmental assessment techniques and input from environmental specialists and resource agencies to determine appropriate level of clearance (for example, CE, SE, FONSI, Negative Declaration, EIR/EIS). Even if a project has been determined eligible for a CE (or other type of exception), environmental permits are often required as part of the clearance process.

Project Funding

Include confirmed fund sources, programmed funds and potential supplemental funds if needed. Describe any restrictions or time limits on particular fund sources and how unforeseen cost impacts would be resolved.

Project Cost

List major categories of costs including: preliminary engineering, environmental, final design, project management, right of way, construction, contingencies, etc. Describe approaches used to ensure cost effectiveness of project such as value engineering and alternatives considered. Show total costs in current dollars, and then include cost escalation amount if project will be designed and constructed, or implemented in future years.

Supporting Documents

Include vicinity and site maps, track charts, diagrams, photos and other exhibits that clarify location and nature of the project.

Signature/Certification

Agency submitting the PSR will certify that they are authorized to submit the PSR and that all information is accurate to the best of their knowledge.

DOR, Revised July 2009

